Resale Housing Market

Sales up in December…

Sales of existing homes in Alberta increased by 3.8% in December, building on a 5.7% increase in November (seasonally adjusted). On the supply side, the number of new listings grew by 2.7% in December after slipping by 2.7% in November. The sales-to-new listings ratio edged up from 0.50 in November to 0.51 in December, indicating balanced market conditions. On an annual basis, the average resale price of a house in Alberta grew by 3.1% in 2010 to $341,999. Nationally, the average resale price of a house increased by 6.8% to $344,551 in 2010.

Non-Residential Building Construction

Construction dips slightly in fourth quarter…

Alberta's investment in new non-residential buildings declined 1.8% in the fourth quarter of 2010 as a 9.0% decline in the construction of institutional buildings (health care facilities & government buildings) more than offset a 2.4% increase in investment for new commercial buildings and a 0.9% rise in investment in industrial buildings. In 2010, new non-residential building construction decreased by 10.1%.

Manufacturing Shipments

Shipments down in November…

The value of Alberta's manufacturing shipments decreased by 1.6% in November to $5.1 billion (seasonally adjusted). The decrease was mainly due to a 16.8% decline in shipments of non-metallic mineral products and a 3.8% drop in shipments of petroleum products. Strong growth was seen in the shipments of computer and electronic products (14.5%) and electrical equipment, appliances and components (13.6%). Total shipments in November, 2010 were 13.7% higher than in November, 2009, but still remain over 23% lower than the record shipments set in July, 2008.

Canadian Dollar (US¢/C$)	
January 21, 2011	100.55
January 14, 2011	100.97
2010-11 YTD	97.67
WTI Oil US$/bbl	
January 21, 2011	$ 89.11
January 14, 2011	$ 91.40
2010-11 YTD	$ 80.55
Nymex Natural Gas C$/MMBtu*	
Near-month Contract	
January 21, 2011	$4.63
January 14, 2011	$4.33

*Estimate based on Nymex Futures Market Price

Employment Insurance

Number of beneficiaries up in November…

The number of employment insurance (EI) beneficiaries in Alberta was up 0.5% in November, with 260 more people receiving benefits than the previous month. Year over year, the number of beneficiaries declined 34% -- the largest drop in the country. Nationally, the number of EI beneficiaries decreased 0.8% to under 674,000.

Trade

Retail sales up for sixth consecutive month…

Seasonally adjusted retail sales in Alberta increased by 2.2% in November to $5.2 billion. This growth was led mainly by a 15.1% growth in sales of electronics and appliance stores. Sales have been gradually increasing in each of the last six months. In fact, on a year-over-year basis, retail sales in Alberta have gained 11.7%. Nationally, retail sales increased by 1.3% to $37.3 billion (seasonally adjusted) in November.

Other Developments

Mortgage rules tightened in Canada, BoC leaves policy rate unchanged …

Minister Flaherty unexpectedly tightened mortage rules in Canada on Monday allowing the Bank of Canada to leave the target for the overnight rate unchanged at 1% in its January meeting despite concerns about high Canadian household debt levels.

Current Economic Indicators

	2008	2009	2010Ytd	Jul	Aug	Sep	Oct	Nov	Dec
Population									
Population [1] (000's) (level)	3,591	3,671	3,735	3,721	--	--	3,735	--	
% change	2.2	2.2	1.4	1.4	--	--	1.4	--	
Net Interprovincial Migraton [1] (level)	15,317	13,184	-2,183	2,820	--	--	1,155	--	
Net International Migration [1] (level)	15,641	16,835	21,533	8,035	--	--	6,361	--	
Net Non-permanent Residents [1] (level)	18,611	19,162	-77	-753	--	--	-1,643	--	
Labour Market									
Employment (000's)	2,013	1,988	1,997	2,009	2,004	2,004	2,021	2,019	2,016
% change	2.8	-1.3	0.4	1.1	1.1	0.8	2.5	1.7	1.1
Unemployment Rate (%)	3.6	6.6	6.5	6.3	6.5	6.2	6.0	5.6	5.6
Participation Rate (%)	74.7	74.3	73	73.1	73.0	72.7	73.1	72.6	72.3
Average Weekly Earnings ($)	923.21	950.13	991.00	985.81	999.86	996.80	1012.54	--	
% change	6.0	2.9	4.4	4.7	7.0	4.6	6.6	--	
Price Indices									
Consumer Price Index	3.2	-0.1	1.0	1.5	0.6	0.9	1.2	0.1	--
Excluding food and energy	2.1	1.4	0.8	0.8	0.5	0.2	0.5	0.4	--
Non-Res. Cons. Cost Index [2] (quarterly)	13.2	-9.8	-0.9	1.8	--	--	--	--	--
Farm Product Price Index	12.9	-10.6	-10.8	-7.0	-6.4	--	--	--	--
Crops	30.1	-18.9	-23.7	-24.1	-24.1	--	--	--	--
Livestock	1.9	-2.8	-0.1	7.2	8.1	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	27.0	29.3	23.5	27.2	25.3	21.1	21.3
% change	-39.6	-31.6	35.0	51.0	13.5	12.2	-11	-25.9	-22.8
New Housing Price Index	0.7	-9.0	0.4	1.5	1.5	1.4	1.0	0.9	--
Edmonton	1.0	-11.2	-0.9	0.2	0.5	0.7	1.0	1.0	--
Calgary	0.6	-6.7	1.8	2.7	2.4	2.1	1.1	0.8	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	352.3	351.8	348.4	354.9	347.6	352.7	348.0
% change NEW!	-1.5	-3.1	3.5	3.1	-0.5	0.4	-2	-1	-2.8
Edmonton	330.8	319.1	328.8	325	329.7	327.7	324.7	329.9	321.4
% change NEW!	-2.0	-3.5	2.6	1.5	2.6	-0.7	-0.6	0	-2.6
Calgary	401.1	384.3	399.1	402.7	390.8	409	395.2	401.6	394.9
% change	-2.9	-4.2	3.9	5.5	-0.8	1.6	-1.5	-0.6	-3.3
Retail Sales [3] NEW!	0.2	-8.3	5.5	4.5	5.1	6.1	3.9	11.7	--
New Motor Vehicle Sales	-7.3	-21.7	10.2	10.0	14.8	14.4	1.1	18.0	--
Consumer Bankruptcies	6,066	9,986	6,964	626	615	732	700	--	--
% change	27.2	64.6	-19.6	-28.2	-30.3	-37.1	1.4	--	--
Business Sector									
Rigs Drilling	236	128	207	199	222	177	260	276	269
% change	-2.1	-45.6	61.3	135.2	130.3	59.3	101.4	81.5	18.5
Goods Exports (customs based)	35.0	-36.3	12.1	6.1	11.4	5.5	6.4	1.5	--
Energy	43.2	-40.1	16.9	5.1	12.5	3.2	1.6	-2.6	--
Agriculture	31.8	-10.2	-9.2	-3.3	-8.4	0.8	6.5	9.6	--
Total Farm Cash Receipts (quarterly)	17.3	-7.5	-7.1	-15.6	--	--	2.6	--	--
Manufacturing Shipments	6.9	-23.7	10.3	14.6	15.2	15.7	16.4	13.7	--
Wholesale Trade [4] NEW!	9.5	-15.9	10.4	12.5	20.8	20.4	20.6	30.7	--
Building Permits	-16.5	-14.2	3.5	10.1	3.5	-10.7	-39.3	-25.0	--
Residential	-31.5	-11.8	26.3	19.4	-12.1	-19.6	-22.7	-21.2	--
Non-residential	3.7	-16.3	-18.2	-3.0	39.2	7.2	-52.5	-29.6	--
Business Bankruptcies	447	405	315	27	30	34	24	--	--
% change	-0.4	-9.4	-7.6	-22.9	-9.1	-2.9	-27.3	--	--

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* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

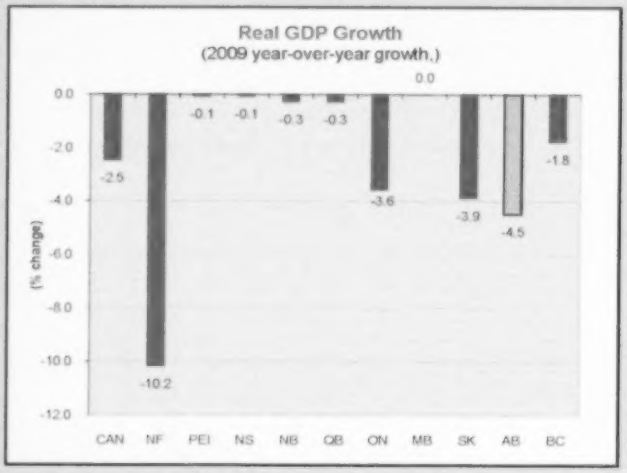
[2] Average of Calgary and Edmonton

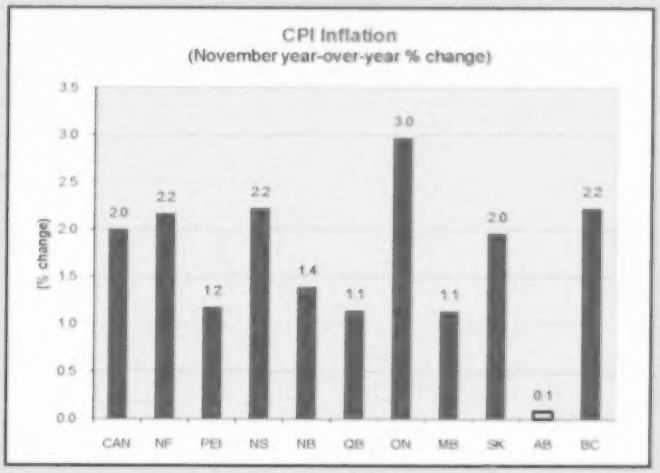
[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

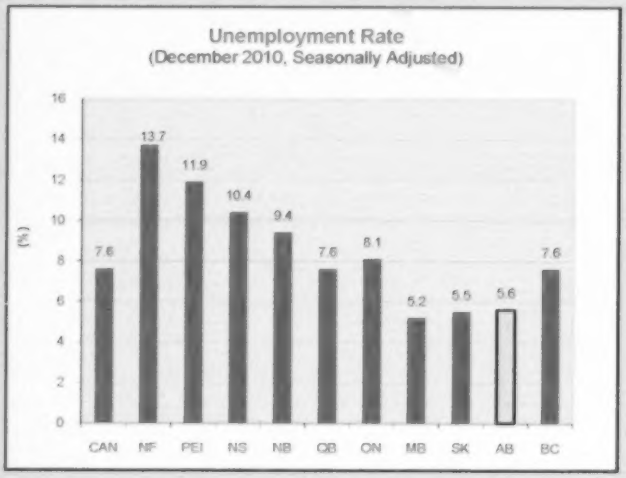
[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

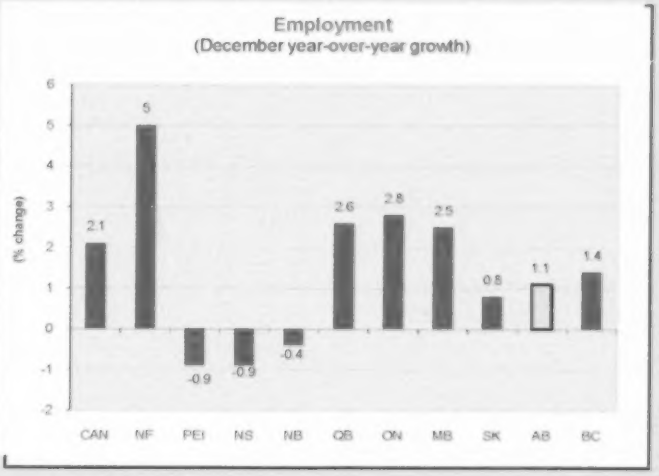
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

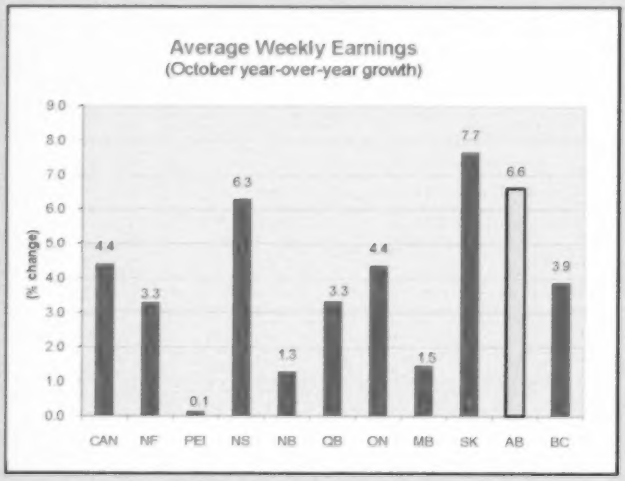
Current Economic Indicators by Province

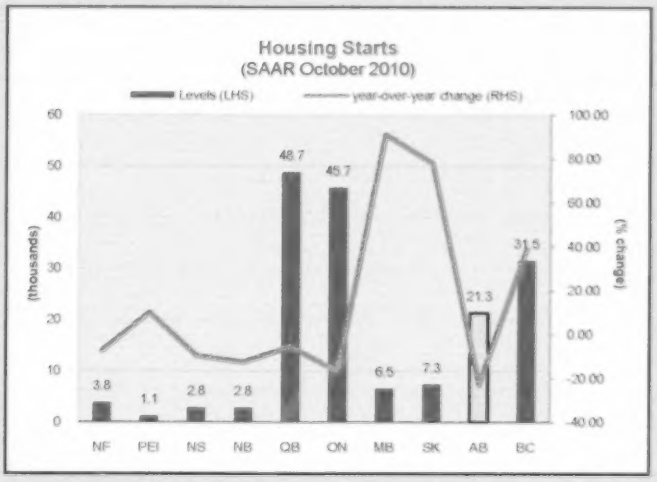












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